



First Union Rail Corporation
NC5811
Commercial Leasing Group
One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018
Tel 847 318-7575
847 318-7588

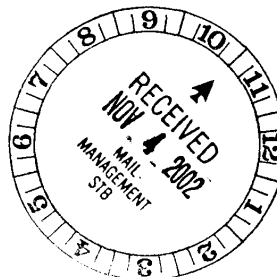
RECORDATION NO. 24200 FILED

NOV 04 '02 2-10 PM

SURFACE TRANSPORTATION BOARD
VIA UPS 2ND DAY AIR

November 1, 2002

Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment



Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) originals and two (2) copies of a Memorandum of Lease Agreement, dated September 25, 2002, a primary document as defined in the Board's Rules for the Recordation of Documents. Please file this Memorandum of Lease as a primary document since a Master Lease has not been filed with the Surface Transportation Board. The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: International Paper Company
100 E. Sartell Street
Sartell, MN 56377

A description of the railroad equipment covered by the enclosed document is ten (10) 100-ton bulkhead flatcars, with FURX 50014 through FURX 50023, inclusive.

A short summary of the document to appear in the index follows: Memorandum of Lease

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5342. Thank you for your cooperation in this matter.

Very truly yours,

Amy Carone
Manager of Documentation

Enclosures

(INPA001)

RECORDATION NO. 24200 FILED

ASSGN. NO.: INPA001

NOV 04 '02 2-10 PM

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 25th day of September, 2002 by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and International Paper Company ("Lessee"), a New York corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of September 15, 1997, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 2 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of July 1, 2002, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: Richard F. Seymour

Name: RICHARD F. SEYMOUR
Vice President Sales & Marketing

By: A. Carone

Name: Amy CARONE

Title: Mgr. of Documentation

Executed on this 25th day of September, 2002

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 25th day of September, 2002

Susan Grokulska
Notary Public

Commission Expires:

8-14-2004
(Notary Public)



LESSEE:

INTERNATIONAL PAPER COMPANY

ATTEST:

By: Craig A. Maclean

Name: CRAIG A. MACLEAN

Title: Mgr Fiber Procurement

By: _____

Name: _____

Title: _____

Executed on this 18 day of Sept, 2002.

[CORPORATE SEAL]

STATE OF Minnesota

COUNTY OF Hearns

I, Kathy Opatz, a Notary Public of the County and State aforesaid, certify that Craig A. Maclean personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 18th day of September, 2002.

Kathy E. Opatz
Notary Public

Commission Expires:

1-31-2005
(Notary Public)

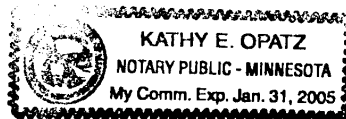


EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Ten (10) Cars.

DESCRIPTION OF CARS: 100-ton, 56'-8" Inside Length, Bulkhead Flatcars equipped with side stakes.

CAR NUMBERS: FURX 50014 through FURX 50023, inclusive